

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

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## MEMORANDUM

TO: Arlington Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: July 2, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.00%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



# ARLINGTON RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 16 years: 5.50% increases

RP-2014 adjusted to 2006, projected generationally using MP-2016; 7.00% Discount Rate

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2020	3,038,749	149,207,452	10,100,957	(121,680)	13,018,026	5.50%
2021	3,175,493	148,170,352	10,680,205	(121,680)	13,734,018	5.50%
2022	3,318,390	144,307,781	11,292,679	(121,680)	14,489,389	5.50%
2023	3,467,717	139,386,617	11,940,268	(121,680)	15,286,305	5.50%
2024	3,623,765	136,367,594	12,624,967	(121,680)	16,127,052	5.50%
2025	3,786,834	132,404,610	13,348,886	(121,680)	17,014,039	5.50%
2026	3,957,242	127,389,625	14,114,250	(121,680)	17,949,812	5.50%
2027	4,135,318	121,204,651	14,923,414	(121,680)	18,937,051	5.50%
2028	4,321,407	113,720,924	15,778,863	(121,680)	19,978,589	5.50%
2029	4,515,870	104,798,006	16,683,222	(121,680)	21,077,412	5.50%
2030	4,719,084	94,282,819	17,639,265	(121,680)	22,236,669	5.50%
2031	4,931,443	82,008,603	18,649,923	(121,680)	23,459,686	5.50%
2032	5,153,358	67,793,787	19,718,291	(121,680)	24,749,969	5.50%
2033	5,385,259	51,440,781	20,847,638	(121,680)	26,111,217	5.50%
2034	5,627,596	32,734,663	22,041,418	(121,680)	27,547,334	5.50%
2035	5,880,838	11,441,771	11,441,771	(121,680)	17,200,929	-37.56%
2036	6,145,475	-	-	(121,680)	6,023,795	-64.98%

## Amortization of Unfunded Liability as of July 1, 2019

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2006	ERI2003 - Town	15,910	4.00%	16	27,519	2
2020	Fresh Start	N/A	N/A	16	N/A	16

\* Includes recognition of the following asset gains/(losses) in Fiscal 2021 through 2023:

2021	\$673,597
2022	\$2,806,676
2023	\$2,939,542

\*\* Contribution is set to be the amount resulting from a 5.5% increase on the prior year's contribution, with 5.5% increases thereafter. The contribution in FY2035 decreases by -37.56%.